

Most of sentence suspended

Dailey starts 'short' term

North Brunswick Investigations 1976

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NEWARK — William Dailey, the former township engineer in North Brunswick and East Brunswick, began serving a two-month jail term today for income tax evasion amid speculation as to why most of his sentence had been suspended.

Dailey, 45, of 12 Birchwood Court, Princeton Junction, was sentenced to 18 months in federal prison by U.S. District Court Judge Herbert J. Stern, with all but the two months suspended.

Stern, U.S. Attorney Jonathan Goldstein, and Larry M. Maddock, the assistant U.S. attorney who handled the case, all declined comment on the reasoning behind the sentence.

In addition to the sentence, which Maddock said would be served in a minimum security prison, Dailey was fined \$2,500. Dailey will be placed on two years' probation following his release from prison, Maddock said.

Dailey was indicted May 14 on nine counts of income tax evasion. The 12-page indictment

charged Dailey with not reporting \$363,957 he earned between 1970 and 1973 as township engineer in North Brunswick. The U.S. Attorney's office has a continuing probe into township affairs and Goldstein noted the investigation, which involves corrupt practices, would seek to determine the ultimate disposition of the funds.

A month and a half later, the engineer pleaded guilty to two of the nine counts, those that charged he did not report \$43,676 in earnings from North Brunswick in 1970 and 107,278 in earnings in 1971.

It is not known whether the guilty plea or the sentence was related to the other phases of the investigation, allegations of municipal corruption in the approval of the huge Hidden Lake project and in the awarding of township contracts.

When Dailey pleaded guilty, Stern warned him an admission of guilt would not necessarily result in a lenient sentence. "If anyone has spoken to you about your sentence, they are lying to you and deceiving you," Stern

said. Dailey said he had received no promises of leniency.

The maximum sentence he could have received if convicted of all nine counts would have been 33 years in prison and \$70,000 in fines.

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Before serving as engineer for the two townships, Dailey was an elected city commissioner in New Brunswick, where he formerly lived and a member of the Middlesex County Sewerage Authority.